

THIS DISPOSITION IS NOT  
CITABLE AS PRECEDENT OF THE TTAB

JULY 22,99

U.S. DEPARTMENT OF COMMERCE  
PATENT AND TRADEMARK OFFICE

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Trademark Trial and Appeal Board

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Carganza, Inc.  
v.  
Scholfield Auto Plaza, L.L.C.

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Opposition No. 102,915  
to application Serial No. 74/715,989  
filed on July 31, 1995

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Fred A. Johnson for Carganza, Inc.

Christopher A. McElgunn of Klenda, Mitchell, Austerman &  
Zuercher, L.L.C. for Scholfield Auto Plaza, L.L.C.

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Before Hohein, Hairston and Chapman, Administrative  
Trademark Judges.

Opinion by Hairston, Administrative Trademark Judge:

An application has been filed by Scholfield Auto Plaza,  
L.L.C. to register the mark CARGANZA for "automobile  
dealership services, namely, a periodic promotional event  
featuring automobiles."<sup>1</sup>

Registration has been opposed by Carganza, Inc.  
Opposer alleges that CARGANZA is merely descriptive of the

identified services and that the mark has not become distinctive of such services; and that applicant "does not use the term 'CARGANZA' in its advertising, letterhead, or business communications and further does not use it in its signage, business cards, letterhead, and many forms of advertisement by the applicant."

Applicant, in its answer, denied the allegations of the notice of opposition.

The record includes the pleadings; the file of the involved application; and four testimony depositions (with exhibits), which were submitted by opposer from a civil action involving the parties in the District Court of Sedgewick County, Kansas (Case No. 96 C 439).<sup>2</sup> Applicant submitted no evidence and only opposer filed a brief. No oral hearing was requested.

Opposer, who is in the business of selling used cars, was incorporated in September 1991 as "Creditcars, Inc." Opposer eventually changed its name to Old Town Autos, Inc.

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<sup>1</sup> Application Serial No. 74/715,989 filed July 31, 1995, alleging dates of first use of March 17, 1992.

<sup>2</sup> In the absence of a stipulation, the Board generally requires that a party move for leave to use testimony from another proceeding. See Trademark Rule 2.122(f) and TMBP §715. However, applicant has not objected to opposer's submission of the testimony depositions and we note that the parties agreed to extend testimony periods herein so that opposer could submit the depositions. In view thereof, we have considered the depositions as stipulated to by applicant and as properly of record. We note that while not all of the exhibits were submitted, there are enough exhibits for us to render a decision herein.

and during 1996 changed its name to "Carganza, Inc." Rex Hensley, opposer's sole shareholder and officer, testified that it was his intent to expand the business to include other auto-related services, such as auto parts sales and detail shop services. Mr. Hensley testified that the name "Carganza, Inc." was chosen because it was catchy and he thought it "depicted" the full-range of services he intended to offer. The name "Carganza, Inc." appears on a sign at opposer's used car location and it is used in opposer's newspaper advertising. Mr. Hensley testified that he was aware of applicant's use of CARGANZA at the time he adopted the trade name "Carganza, Inc."

The record shows that applicant is one of several automobile dealers, located in Wichita, Kansas, which comprise the Scholfield automobile dealership (hereinafter the "Scholfield dealership"). David Steinley, applicant's director of marketing, testified that since 1992 the individual dealers of the Scholfield dealership have collectively conducted a monthly large used car sale at Century II Expo Hall in Wichita. The sales are generally held each month for a period of two to three days over a weekend. Most of the entire used car inventory of the individual Scholfield dealers is transported to the Expo Hall for these sales and financing and trade-ins are available. At the sales, however, customers purchase cars

from the individual Scholfield dealers and none of the sales contracts or other documents which are used bear the term CARGANZA.

Mr. Steinley further testified, however, that it was his responsibility to come up with a name under which to advertise and market the monthly used car sales. CARGANZA was ultimately selected, being devised by combining the word "CAR" with "GANZA," a shortened version of "extravaganza." Since December 1993 applicant has used CARGANZA as the designation for the monthly used car sales. According to Mr. Steinley, approximately two to three days before each sale begins and during the two to three days of the sale, it is advertised in newspapers and on radio and television. According to Mr. Steinley, applicant spends approximately \$30,000 over a four to six-day period advertising each sale. From December 1993 to August 1995, nineteen CARGANZA sales were conducted and applicant sold approximately 130-150 used cars at each sale.

The issues as framed by opposer in its brief are: (1) whether CARGANZA is merely descriptive of the above-identified services, and if so, whether the term has acquired distinctiveness; and (2) whether applicant has used

CARGANZA as a mark in connection with a "service" within the meaning of the Trademark Act.<sup>3</sup>

We turn first to the question of whether CARGANZA is merely descriptive of "automobile dealership services, namely a periodic promotional event featuring automobiles." A term is merely descriptive, and therefore unregistrable, pursuant to Section 2(e)(1) of the Trademark Act, if it immediately conveys knowledge of the ingredients, qualities, or characteristics of the goods or services in connection with which it is used. On the other hand, a suggestive term is one which suggests, rather than describes, aspects or attributes of the goods or services, such that imagination, thought or perception is required in order to reach a conclusion on the nature of the goods or services. In re Quik-Print Copy Shop, Inc., 205 USPQ 505, 507 (CCPA 1980).

Applying these principles to the term CARGANZA, we conclude that at most the term suggests the nature of applicant's services. One needs some degree of imagination or perception to determine the nature of the services.

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<sup>3</sup> We note that the latter issue was not specifically pleaded in the notice of opposition. In the notice of opposition, opposer appeared to suggest that applicant has a "service," but that applicant does not use the mark CARGANZA in connection therewith. Inasmuch as it is clear from the record that the issue tried by the parties was whether applicant has used CARGANZA as a mark in connection with a "service" within the meaning of the Trademark Act, we will treat this issue as if it had been raised in the pleadings. See Fed R. Civ. P. 15(b) and TMBP §507.039(b) and cases cited therein.

That is, the nature of applicant's services is not instantly apparent or immediately indicated by the term. Further, this term is not of such a nature that competitors have a need to use this term in describing periodic promotional events featuring automobiles. Moreover, in view of our finding that CARGANZA is not merely descriptive of applicant's services, we need not reach the issue of acquired distinctiveness.

We turn next to the question of whether applicant has used CARGANZA as a mark in connection with a "service" within the meaning of the Trademark Act. We note in this regard that Section 45 of the Trademark Act defines a service mark as follows:

. . . any word, name, symbol, or device,  
or any combination thereof—

(1) used by a person, or

(2) which a person has a bona fide intention to use in commerce and applies to register on the Principal Register established by this Act, to identify and distinguish the services of one person, *including a unique service*, from the services of others and to indicate the source of the services, even if that source is unknown. Titles, character names, and other distinctive features of radio or television programs may be registered as service marks notwithstanding that they, or the programs, may advertise the goods of the sponsor.

Unlike a tangible product, a service must be a real activity; performed to the order of, or for the benefit of, someone other than the applicant; and cannot be merely an ancillary activity or one which is necessary to the applicant's larger business (i.e., the activity performed must be qualitatively different from anything necessarily done in connection with the sale of the applicant's goods or the performance of another service). See *In re Canadian Pacific Limited*, 754 F.2d 992, 224 USPQ 971 (Fed. Cir. 1985); and TMEP Section 1301.01.

In this case, it is essentially opposer's position that applicant is in the business of selling new and used cars; that applicant simply uses the designation CARGANZA as a means of advertising the sale of used cars; and thus applicant is not offering a separate service under the designation CARGANZA.

We disagree. We find that applicant's periodic promotional event featuring automobiles is a service which is separate from its regular automobile dealership services. It is not necessary or essential for an automobile dealership to take a large number of used cars from several individual dealers to a central indoor area for sale. Such an activity constitutes more than a mere advertisement or promotion of regular automobile dealership services. In this case, applicant's periodic promotional event featuring

cars is not an activity that purchasers would normally expect automobile dealers to undertake. In short, the activity recited in applicant's application is qualitatively different from anything necessarily done in connection with applicant's automobile dealership services, its principal activity. This is the case, notwithstanding that customers purchase the cars from representatives of the individual Scholfield dealerships. Also, this is an activity which benefits purchasers because there is a wider selection of cars, all at one indoor location, with trade-ins and financing available.

In view of the foregoing, we conclude that applicant has used CARGANZA as a mark in connection with a "service" within the meaning of the Trademark Act.

**Decision:** The opposition is dismissed.

G. D. Hohein

P. T. Hairston

B. A. Chapman  
Administrative Trademark Judges  
Trademark Trial and Appeal Board